

Telephone Bill Cramming

What is Cramming?

Cramming refers to the addition of charges for unauthorized services to a consumer's phone bill. The term was coined to express the idea that such additions are hidden or "crammed" in obscure fashions within consumers' bills so that they are difficult to notice. Local telephone companies have billing and collection contracts with a wide variety of companies and industries relating to telecommunications. Most of these represent legitimate businesses, and this billing method offers an easy and convenient way for both companies and consumers to deal with billing for telecommunications services. Unfortunately, it also presents a convenient route for fraud if not used properly. In addition, not everyone agrees upon what constitutes a cram. Within Illinois, however, our statutes have defined this practice, giving regulators and law enforcers clear directions in which to monitor and combat this type of activity.

What is cramming?

There are a number of services which may fall directly under the Illinois definition of cramming when they are placed on a consumer's phone bill without authorization. These include mainly services to which a customer must subscribe and which are billed on a recurring basis. Here are some examples:

- voice mail fees;
- charges for a variety of Internet services;
- monthly fees associated with calling cards;
- dues for membership in certain programs or plans; and
- any other recurring fee for services that were not authorized by the customer.

The law does not apply in situations when the services are accessed on a per-use basis. This means that the cramming law does not cover bills for such topics as:

- individual phone calls, including those accomplished by collect, third-party, calling card or casual access calling methods;
- per-use activation of special features like call forwarding, repeat dialing and conference calling; or
- accessing pay-per-call services, such as 900/976 numbers or international calls.

What are the acceptable ways new services may be added to phone bills?

Illinois law describes 3 methods of acceptable sales of additional telecommunications services. Although companies may choose to use more than one option, only one of the following methods must be employed:

- In direct marketing (the company contacts the consumer), the telemarketer or salesperson making the sale refers the sale to an independent third-party verification service which records the sale and verifies that the consumer understands the sale and wants the service. The third party verifier must contact the consumer within 3 days after the initiation of the additional services.
- After a sale is made or an application for service is received, the company uses a written notification process to remind the customer of the sale and provide them with a means of backing out of the sale. The written notice must:
 - be sent via first class mail, postage pre-paid;
 - be a separate document from billing;
 - be sent to the consumer no later than 10 days after the company has initiated the service;
 - be written in 10-point typeset or larger;
 - be written in plain language that describes the additional service; and
 - contain a toll free number for the consumer to contact if they wish to cancel the addition.

- The consumer calls or contacts the company to sign up - this is the only form of sales of additional services that does not require notification or verification, so consumers need to be certain of all the details before agreeing to anything when they have called or contacted the salesperson themselves.

Note that the law for changes in pre-selected local and long distance carriers (slamming law) does not contain this same exclusion - all changes in pre-selected carriers must follow the acceptable guidelines for verification or notification in the law.

How can consumers protect themselves from Cramming?

Since cramming and slamming are similar types of fraud, much of the advice for consumers is comparable:

- Be especially careful with telemarketers and other forms of sales. Remember that you have the power of choice on your side, and exercise it prudently. Get full details and read all documentation carefully before committing to anything. Make certain that the offer before you matches your individual residential or corporate needs.
- Check your mail. Most of us receive unsolicited junk mail from companies we don't recognize on occasion, but Illinois law requires that companies offering additional telecommunications services provide you with written notice if they have not verified the sale through an independent third party or if you did not contact them directly yourself. If you receive a mailing from a company to "confirm the sale" or notify you that you have selected them, make certain that the mailing is accurate. The company should provide with a toll free number to cancel the addition if it is not correct.
- Some companies may send checks to consumers which contain language that provides for the sale additional service(s) upon endorsement. As with any other marketing contact, read everything carefully before taking action. These checks may constitute acceptable forms of application for service.
- Read your telephone bills and statements completely. Your best weapon against fraud is to remain informed. Know the names of any companies from which you have accepted services and write down any times when you or anyone who uses your phone may have accessed alternative carriers or services on a per-use basis. Consumers may be billed legitimately by telecommunications companies when their services have been accessed on a casual basis - for example, calling card or collect calls placed on other networks or calls placed using 10-10-xxx access.
- Some local phone companies have begun to offer billing restriction services as a means to combat cramming. These may not block all unauthorized forms of billing, and consumers will still need to review their bills carefully. Please contact your local company to determine if they offer such blocking and if it is right for you.
- Companies may also try to bill you directly, even after your local company may have already removed an unauthorized bill from their invoice. This is just another reason to scrutinize your mail for such problems.

What do I do if my phone bill is crammed?

If you suspect that a portion of your bill may constitute an addition of service without your authorization, take action immediately by doing the following:

1. Identify the crammer - often companies use third-party billing agents to submit their bill statements to consumers. Instead of the actual company that crammed you, your phone bill may contain the name and phone number for the billing agent.
2. Once identified, contact the crammer to let them know that you did not want their services and you expect them to issue a full credit and cancel the service.
3. Contact your local phone company to make them aware of the problem. If the cramming company has refused to address your concerns and they sent their billing statement through your local phone bill, ask the local phone company to remove or "recourse" the charges.
4. Contact the ICC, Consumer Services Division. Our Consumer Counselors are available, Monday-Friday, 8:30-5:00PM, toll free within IL at 1-800-524-0795, or you may reach us by e-mail or by traditional mail to: ICC, CSD, 527 E. Capitol Ave., Springfield, IL 62701. A counselor will record the complaint, review your situation and, depending on the circumstances, contact the companies involved to investigate the matter. Our office also participates in a complaint data sharing program

whereby we provide the Consumer Fraud Bureau of the Illinois Attorney General's Office with a referral of every cramming complaint we record. The Illinois Attorney General's Office may also be reached on the web or toll free at 1-800-386-5438 (Chicago) or 1-800-243-0618 (Springfield).

5. Check out the Federal Communications Commission's (FCC's) information on cramming. This document not only contains the national perspective on cramming, but it also provides routes to other resources on the topic, including the Federal Trade Commission.